

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 59th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON HEALTH AND HUMAN SERVICES

Call to Order: By **CHAIRMAN CHRISTINE KAUFMANN**, on February 7,
2005 at 8:05 A.M., in Room 102 Capitol.

ROLL CALL

Members Present:

Rep. Christine Kaufmann, Chairman (D)
Sen. Dan Weinberg, Vice Chairman (D)
Sen. John Cobb (R)
Rep. Joey Jayne (D)
Sen. Greg Lind (D)
Rep. Penny Morgan (R)

Members Excused: Rep. Walter McNutt (R)

Members Absent: None.

Staff Present: Pat Gervais, Legislative Branch
Laura Good, Committee Secretary
Lois Steinbeck, Legislative Branch

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: Director's Office, Fiscal Services
Executive Action: Senior and Long Term Care

The following Exhibits were submitted prior to the meeting:

[EXHIBIT\(jhh30a01\)](#)

[EXHIBIT\(jhh30a02\)](#)

CHAIR REP. CHRISTINE KAUFMANN, HD 81, HELENA, called the meeting to order, introducing Senior and Long Term Care (SLTC) Executive Action.

EXECUTIVE ACTION: SENIOR AND LONG-TERM CARE

Ms. Steinbeck discussed SLTC Decision Package (DP) 16 and SLTC DP 21, reminding the Committee that they will be considered in the revised Medicaid caseloads on Thursday, February 10, 2005. She asked the Committee if they would prefer to defer vote until that time.

The Committee agreed to defer vote on SLTC DP's 16 and 21 until Thursday, February 10, 2005.

SLTC DP 22

Ms. Steinbeck discussed SLTC DP 22 - State Supplement Caseload Increase, and related Legislative Fiscal Division (LFD) issues.

Ms. Kelly Williams, Administrator, SLTC, stated that not all nursing home-community services transfers are eligible for state supplemental funds. She noted populations served by a variety of divisions, and explained which would and would not receive state supplemental funds.

Mr. John Chappuis, Deputy Director, Department of Public Health and Human Services (DPHHS), talked about how divisions would fund transfers, internally or with the financial aid of other divisions.

Mr. Norm Ristoki provided his insight into the matter of nursing home-community services, state supplement funds and fund transfers.

SEN. JOHN COBB, SD 9, AUGUSTA, requested an update on adjustments.

Ms. Williams agreed to provide this information to **SEN. COBB** and the Committee.

Motion/Vote: REP. KAUFMANN moved that SLTC DP 22 BE ADOPTED. Motion carried unanimously by voice vote. REP. WALTER MCNUTT, HD 37, SIDNEY, voted by proxy.

SLTC DP 24, DP 27, DP 28, DP 30, DP 33, DP 34

Ms. Steinbeck discussed SLTC DP 24, Federal Matching Assistance Percentage (FMAP) Enhancement Adjustment, Nursing Homes; DP 27 - FMAP Enhancement Adjustment, Home Based Services; DP 28 - FMAP Enhancement Adjustment, Waiver Services; DP 30 - FMAP Adjustment, Home Based Services; DP 33 - FMAP Adjustment - Home Based Services; DP 34 - FMAP Adjustment, Waiver Services; and related LFD issues.

Motion/Vote: REP. MORGAN moved that SLTC DP'S 24, 27, 28, 30, 33, AND 34 BE ADOPTED. Motion carried unanimously by voice vote. REP. MCNUTT voted by proxy.

SLTC DP 88

Ms. Steinbeck discussed SLTC DP 88, Annualize HB 705 Nursing Home Fee, and related LFD issues.

Motion: REP. KAUFMANN moved that SLTC DP 88 BE ADOPTED.

SEN. DAN WEINBERG, SD 2, WHITEFISH, noted complex nursing home usage trends and wondered if DP 88 addresses these trends adequately and appropriately.

Mr. John Chappuis, Deputy Director, Department of Public Health and Human Services (DPHHS), discussed nursing home usage in more detail. He also stated that DP 88 would move nursing homes toward covering a larger portion of actual costs, thus maintaining good business practice and a greater degree of financial stability as their consumer population demographics shift.

Vote: Motion carried unanimously by voice vote. REP. MCNUTT voted by proxy.

SLTC DP 89, DP 91, DP 94

Ms. Steinbeck discussed SLTC DP 89, County Nursing Home Intergovernmental Transfers (IGT) Increase, and related LFD issues. She described how recent IGT Federal rule changes affect this DP.

Mr. Chappuis provided more information regarding IGT function, usage and Federal concerns regarding IGT's.

{Tape: 1; Side: B}

Ms. Williams detailed the IGT payback mechanism.

Motion/Vote: **REP. KAUFMANN** moved that SLTC DP 89 BE ADOPTED, line item, restricted, with reporting requirement. Motion carried unanimously by voice vote. **REP. MCNUTT** voted by proxy.

Motion/Vote: **REP. MORGAN** moved that SLTC DP 91 AND DP 94 BE ADOPTED. Motion carried unanimously by voice vote. **REP. MCNUTT** voted by proxy.

SLTC DP 93

Ms. Steinbeck discussed SLTC DP 93, Montana Veterans' Home Adjustments, and related LFD issues. She directed the Committee to the LFD issue report on Page B-187 of the Budget Analysis.

Responding to a question from **SEN. WEINBERG**, **Ms. Williams** stated that the most significant challenge at the Columbia Falls Veterans' Home is staff retention. In order to alleviate shortfalls, the home has launched several special campaigns to solicit, train, hire, and retain staff members. She also stated that vacancy savings for direct care staff would ease the Columbia Falls Veterans' Home situation.

SEN. WEINBERG asked how much it would cost to fill and retain all staff positions.

Ms. Williams noted limitations imposed on such efforts via the state pay plan and union contracts. She agreed to provide **SEN. WEINBERG** and the Committee with this information.

SEN. COBB emphasized the need for this information.

Ms. Steinbeck discussed ways in which staff payment issues affect the state general fund.

REP. JOEY JAYNE, HD 15, ARLEE, asked if the Committee could allocate Older Americans Act (OAA) funds to provide needed Full-Time Equivalent (FTE) positions.

Ms. Williams noted ways in which SLTC already utilizes OAA funds, and reasons why such funds cannot be used to cover FTE costs.

SEN. WEINBERG suggested that the Committee delay consideration of DP 93.

SLTC DP 106

Ms. Steinbeck discussed SLTC DP 106, Annualize Traumatic Brain Injury Funds, and related LFD issues.

Motion: REP. MORGAN moved that SLTC DP 106 BE ADOPTED.

REP. JAYNE asked if the funds adequately address TBI issues and needs in Native American populations.

Ms. Williams explained that individuals with TBI are cared for by the Disability Services Division (DSD), SLTC, and other Medicaid programs, while DP 106 funds a TBI advisory board that counsels DPHHS on TBI services and care.

{Tape: 2; Side: A}

Vote: Motion carried unanimously by voice vote. REP. MCNUTT voted by proxy.

SLTC DP 173

Ms. Steinbeck discussed SLTC DP 173, Increased Funding for Caregiver Program and related LFD issues.

SEN. GREG LIND, SD 50, MISSOULA, asked if there are studies determining utilization and efficacy of the Caregiver program.

Mr. Charlie Rehbein, Bureau Chief, Aging Services, explained that DP 173 authorizes use of OAA funds for contracted services such as respite care and caregiver education. He agreed to provide the requested information to **SEN. LIND** and the Committee.

Ms. Williams reiterated that this DP requests authority to spend federal funds.

Motion/Vote: REP. KAUFMANN moved that SLTC DP 173 BE ADOPTED. Motion carried unanimously by voice vote. REP. MCNUTT voted by proxy.

SLTC DP 175

Ms. Steinbeck discussed SLTC DP 175, Additional Funding for Eastern Montana Veterans' Home and related LFD issues.

Motion/Vote: REP. MORGAN moved that SLTC DP 175 BE ADOPTED. Motion carried unanimously by voice vote. REP. MCNUTT voted by proxy.

Ms. Steinbeck discussed SLTC DP 9999, Statewide FTE reduction and related LFD issues.

Motion/Vote: REP. MORGAN moved that SLTC DP 9999 BE ADOPTED.
Motion carried 5-1 by voice vote with REP. KAUFMANN voting no.
REP. MCNUTT voted by proxy.

SLTC DP 68

Ms. Steinbeck discussed SLTC DP 68, Restore Meals on Wheels Funding.

Motion: REP. MORGAN moved that SLTC DP 68 BE ADOPTED AS AMENDED, with additional \$60,000 funding each year of the biennium.

At the request of **SEN. WEINBERG**, **REP. MORGAN** provided a rationale for her amendment.

Ms. Williams commented that any additional Meals on Wheels funding is money well spent.

Vote: Motion carried 5-1 by voice vote with **SEN. COBB** voting no.
REP. MCNUTT voted by proxy.

SLTC DP 81

Ms. Steinbeck discussed SLTC DP 81, Additional Clients in Community Based Waiver and related LFD issues. She directed the Committee to the LFD issue report on Page B-185 of the Budget Analysis.

SEN. WEINBERG proposed waiver restrictions, which **Mr. Chappuis** cautioned against.

Motion/Vote: REP. KAUFMANN moved that SLTC DP 81 BE ADOPTED.
Motion carried unanimously by voice vote. REP. MCNUTT voted by proxy.

SLTC DP 95

Ms. Steinbeck discussed SLTC DP 95, Montana Veterans' Home Contingency Fund, with all language retained and related LFD issues.

Motion/Vote: REP. MORGAN moved that SLTC DP 116 BE ADOPTED.
Motion carried unanimously by voice vote. REP. MCNUTT voted by proxy.

SLTC DP 114

Ms. Steinbeck discussed SLTC DP 114, Personal Assistance Base Restoration.

Motion/Vote: REP. JAYNE moved that SLTC DP 114 BE ADOPTED. Motion carried unanimously by voice vote. REP. MCNUTT voted by proxy.

{Tape: 2; Side: B}

SLTC DP 116, DP 118

Ms. Steinbeck discussed SLTC DP 116, Montana Veterans' Home Replacement Vehicle and related LFD issues.

Motion/Vote: REP. KAUFMANN moved that SLTC DP 116 BE ADOPTED. Motion carried unanimously by voice vote. REP. MCNUTT voted by proxy.

Motion/Vote: SEN. WEINBERG moved that SLTC DP 118, Eastern Montana Veterans' Home Flooring, BE ADOPTED. Motion carried 4-2 by voice vote with REPS. MCNUTT and MORGAN voting no. REP MCNUTT voted by proxy.

SLTC DP 3004

Ms. Steinbeck discussed SLTC DP 3004, Hospice and Home Care Therapy and related LFD issues.

CHAIR KAUFMANN suggested that the Committee delay its vote on SLTC DP 3004.

QUESTIONS TO DIVISION

CHAIR KAUFMANN suggested that the Committee move on to questions for the division and department regarding SLTC Public Testimony.

Responding to a question from **CHAIR KAUFMANN, Ms. Williams** discussed ways in which an additional FTE could be funded and utilized for an ombudsman. With no additionally appropriated funds, some monies for an additional ombudsman would have to be drawn from service funds.

Mr. Rehbein stated that the SLTC ombudsman is in need of assistance, and has on occasion solicited the help of the SLTC legal developer. He told the Committee that an increase in federal funds could cover ombudsman expansion.

CHAIR KAUFMANN and **SENATOR COBB** asked SLTC to provide a proposal for ombudsman expansion.

Responding to further questions from **CHAIR KAUFMANN**, **Ms. Williams** discussed the matter of portioned consumer monies and the connections between SLTC's Independence Plus Grant and SJR 18. She also agreed to provide the Committee with information on recent historical Home and Community Based Services (HCBS) waiver caseload increases.

HEARING - DIRECTOR'S OFFICE

{No audio is available for this portion of the proceedings}

Following a break, **CHAIR KAUFMANN** invited Mr. Chappuis to provide the Director's Office Overview.

Mr. Chappuis provided the Committee with a Director's Office overview packet.

EXHIBIT (jhh30a03)

Mr. Chappuis covered Page 2, DPHHS Director's Office Organization; Page 3, Legal Affairs; Page 4, Human Resources; Page 5, Public Information; and to Page 6, Interagency Coordinating Council (ICC), Prevention and Resource Center (PRC).

Ms. Steinbeck interjected, noting an LFD issue regarding PRC funding. She explained that per revised regulations, PRC will no longer be able to use a portion of the VISTA grant toward its administrative costs.

Mr. Chappuis directed the Committee to Page 7, PRC Vista Project; Page 8, Office of Planning, Coordination, and Analysis (OPCA); Page 9, OPCA Data Collection and Analysis; Page 10, OPCA Maximizing Revenue and Resources; and to Page 11, OPCA Major Planning and Coordination Activities.

SEN. WEINBERG asked Mr. Chappuis which states stand as models for successful federal grant application.

Mr. Chappuis responded that Montana is one such model. He noted Montana's recent receipt of the Substance Abuse and Mental Health Services Administration (SAMHSA) grant and SLTC's enhanced grants.

{Tape: 2; Side: B; Approx. Time Counter: 17.2}

Ms. Gail Briese-Zimmer, Administrator, OPCA, provided and discussed several exhibits, including handouts on OPCA Refinancing Activities, OPCA Projects - Estimated Savings/Revenues vs. Actual Savings/Revenues, and OPCA Projects and Initiatives.

[EXHIBIT\(jhh30a04\)](#)

[EXHIBIT\(jhh30a05\)](#)

[EXHIBIT\(jhh30a06\)](#)

REP. MORGAN asked for clarification regarding the differences between Quality Assurance Division (QAD) responsibilities and OPCA responsibilities.

Ms. Steinbeck explained why OPCA, rather than QAD, spearheaded efforts to ensure that all Mental Health Services Program (MHSP) participants had accurate Medicaid eligibility status.

Ms. Briese-Zimmer, Mr. Chappuis, and Ms. Steinbeck all provided more information on the differences between QAD and OPCA work and responsibilities.

Mr. Chappuis returned to the overview, discussing Page 12, Office of Budget and Finance; Page 13, Office of Budget and Finance Responsibilities.

{Tape: 3; Side: A}

Mr. Chappuis continued with Page 14, Budget Issues - Director's Office DP 188 and DP 189.

Responding to a question from **REP. MORGAN**, **Mr. Chappuis** discussed DP 189 collection projections. He welcomed proposed restriction of collected funds.

Mr. Chappuis directed the Committee to a number of charts proceeding Page 14, including Chart: I-149 Tobacco Tax Revenue expenditures by program, and Chart: I-149 Revenue Summary for the 2007 Biennium.

Mr. Chappuis went on to cover Related LFD's; a letter from David Ewer, Director Office of Budget and Program Planning (OBPP), to the Joint Subcommittee on Appropriations for Health and Human Services, regarding Governor Schweitzer's budget; Director's Office DP 3324 - Prescription Drug Assistance Program; Director's Office DP 1357 - Small Business Health Insurance Pool; and Language Terms regarding the Sustainability Account, Excess Tobacco Tax Revenue, and Appropriation Adjustment.

Ms. Steinbeck emphasized that the proposed Sustainability Account and Excess Tobacco Tax Revenue Language Terms imply amendments to statute, and are thus inappropriate language additions to HB 2. She told the Committee she would confer with Mr. Greg Petesch, Director of Legislative Legal Services, for comment on the Appropriation Adjustment Language Terms.

Mr. Bob Andersen, OBPP, stated that the key underlying issue in the matter is avoidance of fiscally unsustainable programs and projects.

At the request of **REP. MORGAN**, **Ms. Steinbeck** discussed the sustainability account and interest generation.

Mr. Andersen elaborated on sustainability issues, language proposals and I-149 revenue projections.

{Tape: 3; Side: B}

Ms. Steinbeck noted that the Committee can choose to alter I-149 funding priorities.

SEN. COBB discussed I-149 funding priorities and sustainability issues and projections, comparing the possible outcome to the current TANF childcare fund crisis.

Mr. Andersen countered that appropriate language should prevent crises similar to those described.

Ms. Steinbeck explained to the Committee the role of statutory amendments in determining I-149 spending authorization, and **Mr. Andersen** offered further comments.

REP. JAYNE asked if the Department could provide information connecting the I-149 Tobacco Tax Revenue chart to the DPHHS DP's.

Ms. Steinbeck directed **REP. JAYNE** to the Chart: I-149 Revenue Summary for the 2007 Biennium.

CHAIR KAUFMANN charged Ms. Steinbeck to provide further information on discussed Director's Office issues, prior to Executive Action on the division.

Responding to a question from **SEN. WEINBERG**, **Mr. Chappuis** stated that the DP's connected to the HB 324 Prescription Drug Program and the LC 1357 are in agreement with American Association of Retired Persons (AARP) requests.

Mr. Chappuis concluded the Director's Office Overview with Page 15, Director's Office LFD Issues.

SEN. WEINBERG argued that **SEN. COBB's** earlier crisis projection was too conservative, due to unknowns regarding federal requirements and Montana's future economic development.

At the request of the Committee, **Ms. Steinbeck** discussed the LFD issues on Page B-72 of the Budget Analysis.

Mr. Chappuis offered his perspective on the LFD issues at hand.

{Tape: 4; Side: A}

HEARING - FISCAL SERVICES DIVISION

CHAIR KAUFMANN introduced the Fiscal Services Division (FSD) overview.

Ms. Gervais noted that there are no LFD issues on FSD DP's, and asked that the FSD Administrator provide the Committee with information on the division's recent audit and of its cost allocation.

Mr. Mick Robinson, Administrator, Fiscal Services Division, provided the Committee with an FSD Overview.

[EXHIBIT\(jhh30a07\)](#)

Mr. Robinson began with Page 1, FSD Operating Sections, Division Administration; Page 2, Fiscal Policy, Financial Support; Page 3, operations and Payment Section, General Ledger/Financial Reporting; Page 4, Institutional Reimbursement Unit, Purchasing Unit; Page 5, Payroll Management, FSD Accomplishments; Page 6, a positive quote from November 2003 DPHHS Financial-Compliance Audit, History of DPHHS Audits.

Mr. Robinson also provided and discussed the DPHHS Active Action Plan.

[EXHIBIT\(jhh30a08\)](#)

Ms. Steinbeck discussed indirect cost allocation issues and **Mr. Robinson** closed the overview by agreeing to return on Wednesday with more information on these matters.

SEN. WEINBERG asked the Committee to join him in requesting that Committee staff draft a resolution to Montana's federal

representatives and the Bush Administration, laying out Montana's needs and pleading that they not cut Medicaid funding.

REP. MORGAN suggested that the resolution also include language expressing that the federal government should prepare and implement rules immediately upon rolling out new regulations.

Motion/Vote: **SEN. WEINBERG** moved that **THE COMMITTEE JOIN TO REQUEST A DRAFT OF SAID RESOLUTION FROM COMMITTEE STAFF**. Motion carried unanimously by voice vote. **REP. MCNUTT** voted by proxy.

Ms. Gervais provided the Committee with a number of Exhibits, each offering information as previously requested by members.

[EXHIBIT\(jhh30a09\)](#)

[EXHIBIT\(jhh30a10\)](#)

[EXHIBIT\(jhh30a11\)](#)

[EXHIBIT\(jhh30a12\)](#)

ADJOURNMENT

Adjournment: 12:00 A.M.

REP. CHRISTINE KAUFMANN, Chairman

LAURA GOOD, Secretary

CK/lg

Additional Exhibits:

EXHIBIT ([jhh30aad0.PDF](#))